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E-filed on June 12, 2006

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17 [Proposed] Attorneys for the Official Committee of Equity
 18 Security Holders of USA Capital Diversified Trust Deed Fund,
 19 LLC

20 UNITED STATES BANKRUPTCY COURT

21 DISTRICT OF NEVADA

22 In re:
 23 USA COMMERCIAL MORTGAGE COMPANY,
 24 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

25 In re:
 26 USA CAPITAL REALTY ADVISORS, LLC,
 27 Debtor.

Chapter 11

28 In re:
 29 USA CAPITAL DIVERSIFIED TRUST DEED
 30 FUND, LLC,
 31 Debtor.

Jointly Administered Under
 Case No. BK-S-06-10725-LBR

In re:
 USA SECURITIES, LLC,
 Debtor.

OST REQUESTED
 Date: June 21, 2006
 Time: 9:30 a.m.
 Place: Courtroom #2

Affects:
 All Debtors
 USA Commercial Mortgage Company
 USA Securities, LLC
 USA Capital Realty Advisors, LLC
 USA Capital Diversified Trust Deed Fund, LLC
 USA First Trust Deed Fund, LLC

1 **EX PARTE APPLICATION FOR ORDER SHORTENING TIME TO HEAR THE**
2 **APPLICATION BY THE OFFICIAL COMMITTEE OF EQUITY SECURITY HOLDERS**
3 **OF USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC TO EMPLOY ORRICK,**
4 **HERRINGTON & SUTCLIFFE LLP**

5 **TO THE HONORABLE LINDA B. RIEGLE, UNITED STATES BANKRUPTCY JUDGE:**

6 The Official Committee of Equity Security Holders of USA Capital Diversified Trust
7 Deed Fund, LLC (the “USA Diversified Committee”), by and through its proposed bankruptcy
8 counsel, Orrick, Herrington & Sutcliffe LLP (“Orrick”), has filed its “Application by the Official
9 Committee of Equity Security Holders of USA Capital Diversified Trust Fund, LLC, to Employ
10 Orrick, Herrington & Sutcliffe LLP” (the “Orrick Application”). This ex parte application is
11 made and based upon Fed. R. Bankr. P. 9006, the following memorandum of points and
12 authorities and Declaration of Marc A. Levinson (the “Levinson Declaration”), the Attorney
13 Information Sheet filed contemporaneously herewith, and the papers and pleading on file herein,
14 judicial notice of which is respectfully requested.

15 WHEREFORE, the USA Diversified Committee respectfully requests that this Court
16 grant this ex parte application and issue an order shortening time to hear the Orrick Application at
17 the Omnibus Hearing on June 21, 2006, and for such other and further relief at the Court deems
18 just and proper.

19 Respectfully submitted this 21st day of June 2006.

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28 and

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MEMORANDUM OF POINTS AND AUTHORITIES

Bankruptcy Code section 105 allows this Court to issue such orders as are necessary to carry out the provisions of this title. 11 U.S.C. § 105. Rule 9006(c)(1) of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”) generally permits a bankruptcy court, for cause shown and in its discretion, to reduce the period during which any notice is given in accordance with the Bankruptcy Rules. Bankruptcy Rule 9006(c)(1) provides as follows:

Except as provided in paragraph (2) of this subdivision, when an act is required or allowed to be done at or within a specified time by these rules or by a notice given thereunder or by order of court, the court for cause shown may in its discretion with or without motion or notice order the period reduced.

11 U.S.C. § 105. Local Rule 9006 provides further authority for shortening the time for a hearing. According to Local Rule 9006(b), every motion for an order shortening time must be accompanied by an affidavit stating the reasons for an expedited hearing. As set forth in the Levinson Affidavit, there is a compelling reason for an expedited hearing on the Orrick Application.

Local Rule 9006 requires the moving party to submit an Attorney Information Sheet indicating whether opposing counsel was provided with notice, whether opposing counsel consented to the hearing on an order shortening time, the date counsel was provided with notice and how notice was provided or attempted to be provided. An Attorney Information Sheet is being filed contemporaneously with this ex parte application.

For the reasons set forth in the Levinson Declaration below, Orrick asks that the Court extend the deadline for filing an opposition to the Orrick Application, if necessary, to June 15, 2006, (i.e. two days after the Orrick Application is filed) in order to afford all parties in interest sufficient opportunity to review and formulate a position on the Orrick Application.

With an extended deadline afforded to parties in interest for filing oppositions to the Orrick Application, the USA Diversified Committee also asks for the opportunity to file a reply no later than the close of business on June 19, 2006, two business days after such oppositions as may be filed and two days prior to the hearing on June 21st.

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DECLARATION OF MARC A. LEVINSON

I, Marc A. Levinson, hereby declare as follows:

1. I am over eighteen years of age and have personal knowledge of the facts set forth herein, and if called as a witness, would testify competently with respect thereto from my own personal knowledge except as otherwise stated.

2. I am a partner of Orrick, Herrington & Sutcliffe LLP. This declaration is submitted in support of the USA Diversified Committee's¹ ex parte application to shorten time for hearing the Orrick Application.

3. On April 13, 2006, USA Capital Diversified Trust Deed Fund, LLC (“USA Diversified”), USA Commercial Mortgage Company (“USA Mortgage”), USA Securities, LLC (“USA Securities”), USA Capital Realty Advisors, LLC (“USA Realty”) and USA Capital First Trust Deed Fund, LLC (“USA First” and, collectively with USA Mortgage, USA Securities, USA Realty and USA Diversified, the “Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code.

4. On May 10, 2006, the Office of the United States Trustee (the "US Trustee") appointed the following four committees in the Debtors' Cases:

- (a) The Official Committee of Holders of Executory Contract Rights Through USA Mortgage (“Direct Lenders’ Committee”);
- (b) The Official Unsecured Creditors Committee for USA Mortgage;
- (c) The Official Committee of Equity Security Holders of USA First; and
- (d) The USA Diversified Committee.

5. The Direct Lenders' Committee initially sought to retain the law firm of Stutman, Treister and Glatt ("ST&G") collectively with one or both of the fund committees. However, on May 23, 2006, the Direct Lenders' Committee determined that joint representation was not in its

¹ Terms not otherwise defined herein shall have the same meaning ascribed to them in the Orrick Application.

1 best interest and retained Gordon & Silver, Ltd. late in the evening on May 23, 2006. This Court
2 has since approved such employment.

3 6. Thereafter, the USA First Committee retained ST&G, leaving the USA Diversified
4 Committee without counsel. This Court has since approved the employment of ST&G.

5 7. On June 1, 2006, the USA Diversified Committee met telephonically and decided
6 to engage Orrick as its bankruptcy counsel. The USA Diversified Committee has filed the Orrick
7 Application seeking this Court's approval of such retention.

8 8. An Omnibus Hearing has been scheduled for the June 21st hearing at which time
9 many matters will be heard. As this Court is well aware, the Debtors' Cases are moving forward
10 at an extraordinary pace and, therefore, it is critical that the USA Diversified Committee's
11 interests be represented. As such, it is necessary that the Orrick Application be heard at the June
12 21st hearing.

13 9. Orrick only very recently entered this case, and the Committee filed the Orrick
14 Application at the earliest possible opportunity. I believe there is good cause for the Court to
15 extend the deadline for filing an opposition to the Orrick Application, if necessary, to June 15,
16 2006 (i.e. two days after the Orrick Application is filed) in order to afford all parties in interest
17 sufficient opportunity to review and formulate a position on the Orrick Application. The Debtors
18 and the other committees specifically requested that accommodation, and I believe that allowing
19 two days after the Orrick Application is filed for responses is reasonable and appropriate.

20 10. With an extended deadline afforded to parties in interest for filing oppositions to
21 the Orrick Application, I believe it to be equitable for the Court to permit the USA Diversified
22 Committee the opportunity to file a reply no later than the close of business on June 19, 2006, two
23 business days after such oppositions as may be filed and two days prior to the hearing on June
24 21st.

25 11. The Court's indulgence in this instance is warranted because the Committee was
26 left without counsel when the Direct Lenders' Committee and the UST objected to ST&G's
27 employment and the Committee moved as promptly as possible to retain Orrick as its bankruptcy
28 counsel.

12. Moreover, given the nature of the Debtors' Cases, the Committee's interests are best served by having Judge Riegle rather than a visiting judge decide any issues involving the Orrick Application. Orrick should not be forced to wait until the next Omnibus Hearing date on July 25, 2006, to find out if its retention as the Committee's bankruptcy counsel is approved since, by then, Orrick will have spent substantial time and effort on these matters.

13. The Office of the United States Trustee, counsel for the Debtors and counsel for the three other committees have agreed that the Orrick Application may be heard on shortened time and the Debtors and committees have requested that they have two days after the Orrick Application is filed to object or otherwise respond.

Executed at Sacramento, California, this 12th day of June, 2006.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

/s/ Marc A. Levinson

Marc A. Levinson